

NEW APPLICATION

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

ORIGINAL



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AZ CORP COMMISSION
DOCUMENT CONTROL

March 6, 2001

VIA OVERNIGHT DELIVERY

Arizona Corporation Commission
Docket Control Center
1200 West Washington Street
Phoenix, AZ 85007-2996

DOCKET NO. T-04000A-01-0208

Re: Application and Petition of Telseon Carrier Services, Inc. for a Certificate of Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange, Exchange Access, and Interexchange Telecommunications Service in Arizona

Dear Sir or Madame:

On behalf of Telseon Carrier Services, Inc. ("Telseon"), enclosed please find an original and ten (10) copies of Telseon's Application for a Certificate of Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange, Exchange Access and Interexchange Telecommunications Service in the State of Arizona. Telseon's Petition for Competitive Classification of the Proposed Services is attached to this Application as Exhibit F. Please note that Telseon's financial information (Exhibit C) is being filed under separate cover.

Please date stamp the enclosed extra copy of this Application and return it in the self-addressed, postage-paid envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Alexander Stokas at 202/295-8354.

Respectfully submitted,

Rogena Harris
Alexander Stokas

Counsel for Telseon Carrier Services, Inc.

Enclosures

cc: Steve Miller (w/encl.)

**BEFORE THE
ARIZONA CORPORATION COMMISSION**

In the Matter of the Application and Petition of)
)
Telseon Carrier Services, Inc.)
)
For a Certificate of Convenience and Necessity)
to Provide Resold and Facilities-Based Local)
Exchange, Exchange Access, and Interexchange)
Telecommunications Service Within the)
State of Arizona)
)

Docket No. _____

**APPLICATION AND PETITION OF
TELSEON CARRIER SERVICES, INC.**

Telseon Carrier Services, Inc. ("Telseon" or "Applicant"), by its undersigned attorneys, and pursuant to Arizona Administrative Code R14-2-1103 and R14-2-1105,¹ hereby files this application for a Certificate of Convenience and Necessity ("CC&N") to provide all forms of resold and facilities-based local exchange, exchange access, and interexchange telecommunications service throughout the State of Arizona. Telseon also hereby petitions the Commission for a determination that its proposed services are competitive pursuant to the requirements of Arizona Administrative Code ("A.A.C.") R14.2-1108. Telseon's petition for competitive classification is attached hereto as Exhibit F.

Telseon submits that its presence in the Arizona telecommunications marketplace will serve to enhance competition, leading to the benefits for Arizona consumers that have in the past resulted from increased competition in telecommunications markets, including an enhanced variety of choices, an increase in the availability of high quality service, heightened technological and service innovations, and increased competitive pressures on the rates charged for services. Telseon respectfully submits that the grant of its request for a Certificate of

¹ Rules established by Commission Opinion and Order (dated June 23, 1995) *In the Matter of the Notice of Proposed Rule Making Regarding Competitive Telecommunications Services*, in Docket No. R-0000-94-424, Decision No. 59124.

Convenience and Necessity to provide resold and facilities-based local exchange telecommunications service throughout the State of Arizona is consistent with the pro-competitive purposes of the Commission's Order in Docket No. R-0000-94-424 (Decision No. 59124), as well as the purposes of the Federal Telecommunications Act of 1996.

In support of its request, Applicant submits the following information as required by A.A.C. R14-2-1105:

II. DESCRIPTION OF APPLICANT

1. Applicant's legal name is Telseon Carrier Services, Inc. Applicant maintains its principal place of business at:

7887 East Belleview, Suite 600
Englewood, CO 80111
Telephone: 720/554-7000
Facsimile: 720/554-7290

2. Correspondence or communications pertaining to this Application should be directed to:

Rogena Harris
Alexander Stokas
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, D.C. 20007-5116
Telephone: 202/424-7500
Facsimile: 202/424-7643

with a copy to:

Steve Miller
7887 East Belleview, Suite 600
Englewood, CO 80111
Telephone: 720/554-7000
Facsimile: 720/554-7290

3. Questions concerning the ongoing operations of Applicant following certification should be directed to Mr. Miller at the above address.

Upon certification, copies of all notices, orders and other materials, and all inquiries, questions, and complaints concerning Telseon's Arizona operations should be directed to Mr. Miller at the address listed above. Mr. Miller will also serve as liaison with the Commission for resolution of Commission and user inquiries and complaints.

4. Telseon does not currently have a business office in the State of Arizona.

Telseon's Arizona agent is:

CT Corporation System
3225 North Central Avenue
Phoenix, Arizona 85012

5. Applicant is a Delaware corporation, which is a wholly-owned subsidiary of Telseon, Inc., also a corporation organized under the laws of the State of Delaware. Copies of Telseon's Articles of Incorporation and certificate of Authority to Transact Business in the State of Arizona are attached as Exhibit A.

6. The names, addresses and telephone numbers of the officers of EPGN are as follows:

Officers:

John Kane	Chief Executive Officer
Steven Russel	Founder and President
Mick Seaman	Chief Technology Officer
Sean Whelan	Vice President, Strategic Alliances
Mike McHale	Chief Operating Officer
Christopher Gopal	Vice President Information & Services
Kelly Enos	Chief Financial Officer

Directors:

Jennifer Gill Roberts
Rich Shapero
George Tronsrue

All officers and directors can be reached at the following address and numbers:

Telseon Carrier Services, Inc.
7887 East Belleview, Suite 600
Englewood, CO 80111
Telephone: 720/554-7000
Facsimile: 720/554-7290

II. TECHNICAL, MANAGERIAL AND FINANCIAL QUALIFICATIONS

1. Telseon possesses the technical and managerial qualifications to render and operate its proposed telecommunications services. Descriptions of Applicant's key personnel, which demonstrate the extensive telecommunications operational experience and technical expertise of Telseon and its management team, are attached hereto as Exhibit B.

2. Telseon is authorized to provide telecommunications services in California, Colorado, Illinois, Massachusetts, Ohio, Texas, and Washington. Telseon is currently in the process of obtaining authorization in the District of Columbia, Florida, Georgia, Maryland, Minnesota, New Jersey, New York, Oregon, Pennsylvania, and Virginia. Applicant has not been denied certification in any jurisdiction, nor has it had a permit, license, or certificate revoked by any authority.

3. Telseon is financially qualified to provide telecommunications services in Arizona. Applicant has access to the financing and capital necessary to conduct its telecommunications operations as specified in this Application. Telseon will be able to rely on the financial resources of its corporate parent, Telseon, Inc., for the provision of telecommunications services in the State of Arizona. In demonstration of its financial qualifications, Telseon has attached hereto, as Exhibit C, the latest consolidated financial statements of Telseon and Telseon, Inc. This exhibit is offered to demonstrate Applicant's

financial ability to provide the proposed services in Arizona. Please note that this information contains information that is proprietary and highly sensitive.

III. DESCRIPTION OF SERVICES

1. Services to be Provided. Telseon requests authority to provide resold and facilities-based local exchange, access exchange, and intrastate interexchange telecommunications services in the State of Arizona.

Telseon intends to provide a wide range of broadband and high-speed digital private line services to business customers and Internet service providers using a public IP-based network that employs proprietary gigabit ethernet technology. Telseon's facilities are aimed at developing metropolitan area networks ("MANs") to eliminate the "bottleneck" between private local area networks ("LANs") and long haul fiber optic backbone. Telseon's network will enable point-to-point, point-to-multipoint, and multipoint-to-multipoint network connections and will be designed to enable high-speed access to application service providers ("ASPs"), Internet service providers ("ISPs"), and other types of service providers.

Applicant believes that the advanced technical characteristics of its network will allow it to provide the high levels of reliability, security, and capacity that its target customers typically demand, as well as providing a more rapid time-to-provision by leveraging the Applicant's significant investment in operational support systems.

Telseon will continuously monitor and maintain a high level of control over its network on a 24-hour basis through its network operations center. A toll-free number (888-842-6272) will be available for customer service inquiries.

Initially, Telseon will lease the fiber optic facilities of other carriers while its own facilities are being built. As the Applicant completes the build-out of its own network, the Applicant may move this traffic onto its own Network.

2. Geographic Areas to be Served. Telseon intends to provide telecommunications service to and from all points within the State of Arizona. Telseon initially plans to provide exchange access in the exchange areas of Qwest and currently does not plan to provide local exchange service in areas of Arizona that are served by small or rural local exchange carriers (as defined in the Telecommunications Act of 1996). However, Telseon seeks statewide authorization so that it may expand its local service areas in the future as market conditions may warrant. A copy of a map depicting Telseon's initial service area (which mirrors the existing service territory of Qwest) is attached hereto at Exhibit D.

3. Tariffs. Telseon's proposed tariffs are attached hereto as Exhibit E.

4. Interconnection/Resale Agreement. Telseon intends to negotiate an interconnection agreement with Qwest upon obtaining its Certificate of Convenience and Necessity.

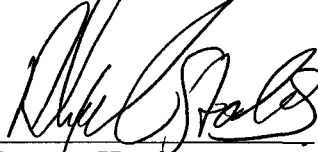
5. Competitive Classification. The Commission has promulgated rules governing the provision of competitive telecommunications services in Arizona. As a threshold matter, telecommunications companies must petition the Commission for classification of the Applicant's service offerings as competitive. Telseon's petition for competitive classification is attached hereto as Exhibit F.

III. CONCLUSION

WHEREFORE, for the foregoing reasons, Telseon Carrier Services, Inc. respectfully requests that the Commission grant it a Certificate of Convenience and Necessity to provide resold and facilities-based local exchange, exchange access, and interexchange

telecommunications services as described in this Application, and granting such additional or further relief as may be necessary or appropriate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rogeha Harris', written over a horizontal line.

Rogeha Harris

Alexander Stokas

Swidler Berlin Shereff Friedman, LLP

3000 K Street, NW, Suite 300

Washington, D.C. 20007

Telephone: 202/424-7500

Facsimile: 202/424-7643

Counsel for Telseon Carrier Services, Inc.

Date: March 6, 2001

EXHIBITS

- | | |
|--------------|---|
| Exhibit A | Certificate of Incorporation and Certificate of Authorization to Transact Business in Arizona |
| Exhibit B | Managerial Qualifications |
| Exhibit C | Financial Qualifications (<i>filed under separate cover</i>) |
| Exhibit D | Initial Service Area Map |
| Exhibit E | Proposed Tariffs |
| Exhibit F | Petition for Competitive Classification |
| Verification | |

EXHIBIT A

Certificate of Incorporation and
Certificate of Authorization to Transact Business in Arizona

AZ. CORP. COMMISSION

DELIVERED

F-0952802-3

JUN 09 2000

APPLICATION FOR AUTHORITY
TO TRANSACT BUSINESS
IN ARIZONA

FILED BY ATB NANC
TERM _____
DATE 06-09-00

The name of the corporation is: Telseon Carrier Services, Inc.

A(n) Delaware Corporation
(State, Province or Country)

☒ We are a foreign corporation applying for authority to transact business in the State of Arizona

☐ We are a foreign corporation currently authorized to transact business in Arizona and must now file this Application for New Authority pursuant to A.R.S. § 10-1504 because we have changed the following in our domicile jurisdiction:

- ☐ Our actual corporate name (or the name under which we originally obtained authority in Arizona).
☐ The period of our duration.
☐ The state, province or country of our incorporation.

1. The exact name of the foreign corporation is

Telseon Carrier Services, Inc.

If the exact name of the foreign corporation is not available for use in this state, then the fictitious name adopted for use by the corporation in Arizona is:

_____(FN).

2. The name of the state, province or country in which the foreign corporation is incorporated is:

Delaware

3. The foreign corporation was incorporated on the 18th day of December, 1998 and the period of its duration is Perpetual.

4. The street address of the principal office of the foreign corporation in the state, province or country of its incorporation is:

1209 Orange Street

Wilmington, Delaware 19801

5. The name and street address of the statutory agent for the foreign corporation in Arizona is:

C T Corporation System

3225 North Central Avenue

Phoenix, Arizona 85012

CF: 0024
Rev: 9/97

- 5.a. The street address of the known place of business of the foreign corporation in Arizona IF DIFFERENT from the street address of the statutory agent is:

The Annual Report and general correspondence should be mailed to the address specified above in section 4 _____ or 5 ✓.

6. The purpose of the corporation is to engage in any and all lawful business in which corporations may engage in the state, province or country under whose law the foreign corporation is incorporated, with the following limitations, if any: (If none, so state.)

none _____

7. The names and usual business addresses of the current directors and officers of the foreign corporation are: (Attach additional sheets if necessary.)

See attached list of
directors and officers _____ [title]

_____ [title]

_____ [title]

_____ [title]

8. The foreign corporation is authorized to issue 100 shares, itemized as follows:

(Attach additional sheets if necessary.)

Common Stock

100 shares of (No series) [class or series] stock at
_____ no par value or par value of \$ 0.0001 per share.

_____ shares of _____ [class or series] stock at
_____ no par value or par value of \$ _____ per share.

_____ shares of _____ [class or series] stock at
_____ no par value or par value of \$ _____ per share.

9. The foreign corporation has issued 100 shares, itemized as follows:

(Attach additional sheets if necessary.)

Common Stock

100 shares of (No series) [class or series] stock at

no par value or par value of \$ 0.00 01 per share:

shares of [class or series] stock at

no par value or par value of \$ per share.

shares of [class or series] stock at

no par value or par value of \$ per share.

10. The character of business the foreign corporation initially intends to conduct in Arizona is:

See attached purpose clause

This application is accompanied by:

A Certificate of Disclosure containing the information set forth in Arizona Revised Statutes Section 10-202.D.

A certified copy of our articles of incorporation, all amendments (AZ Const. Art. XIV, § 8) and a certificate of existence or document of similar import duly authenticated by the official having custody of corporate records in the state, province or country under whose laws we are incorporated (A.R.S. § 10-1503.B).

The filing fee(s) (U.S.) made payable to the Arizona Corporation Commission.

DATED this 25 day of May, 2000.

Telseon Carrier Services, Inc.

[Name of Corporation]

Executed By Stephen Russell

Steven Russell, President

[print name]

[title]

PHONE _____ FAX _____
[optional] [optional]

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation effective this 8th day of June, 2000.

Vickie M. Prince

Signature Vickie M. Prince Assistant Secretary

C T Corporation System

[Print Name]

Appendix to Arizona
Application for Authority to Transact Business in Arizona

**Purpose Clause of
Telseon Carrier Services, Inc.**

Telecommunications Provider. Notwithstanding the foregoing, the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized to do business under the laws of Arizona.

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347

CERTIFICATE OF DISCLOSURE
A.R.S. § 10-202.D

Telseon Carrier Services, Inc.
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX (A or B)

ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

A. No persons serving either by elections or appointment as officers, directors, trustees, incorporators and persons controlling or holding over 10% of the
☒ issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following
☐ information MUST be attached:

1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

C. Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes _____ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated. (b) Has transacted business.
4. Dates of corporate operation.
5. Date and case number of Bankruptcy or date of revocation/administrative dissolution.

D. The fiscal year end adopted by the corporation is December 31.

Under penalties of law, the undersigned incorporator(s)/officer(s) declare (s) that I (we) have examined this Certificate, including any attachments, and to the best of my (our) knowledge and belief it is true, correct, and complete. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY St Russell BY J. M. O'Brien

PRINT NAME Steven Russell PRINT NAME Judith M. O'Brien

TITLE President, Acting CFO, ASST. Secy. and Director DATE 5/25/00 TITLE Secretary DATE 5/25/00

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

C/F: 0022-Business Corporations

Rev. 7/96 (ARIZ. - 73 - 10/17/96) C T System

Attention Corporate Officers

If you have the responsibility of collecting, accounting for, and paying over payroll taxes withheld from the wages and salaries of corporate employees, read on.

A principal benefit of incorporation is limiting an owner's liability to the amount of his/her capital investment. This limited liability may not apply in all circumstances.

Section 6672 of the Internal Revenue Code States that the liability for taxes withheld from the wages and salaries of corporate employees may be assessed against the corporate officer(s) or employee(s) found to be responsible for their collection and payment. The personal liability of the responsible officer or employee is not limited to the amount of capital investment.

There are other civil and criminal penalties in the law regarding filing, paying, depositing of employment taxes.

If you would like more information regarding this or any other federal tax

EXHIBIT B

Managerial Qualifications

TELSEON CARRIER SERVICES, INC.'S KEY PERSONNEL

John Kane, *Chief Executive Officer*

Mr. John Kane has more than 25 years of experience in the competitive communications industry. Mr. Kane was the former President and Chief Operating Officer of ICG Communications, Inc., where he developed and directed data strategy and the company's rapid nationwide rollout, and was instrumental in the deployment of a national fiber-optic and switching network. Mr. Kane has also served as an Executive Vice President of WCT Communications, Inc., which was later acquired by Frontier Communications, Inc.

Dr. Steven Russell, Ph.D., *President*

Dr. Steven Russell has 20 years experience in networking and communications. Dr. Russell earned his Ph.D. from Stanford in Electrical Engineering. He began his career as a consultant with SRI International and with a small satellite communications consulting firm. In 1979, he cofounded an early satellite communications carrier, Equatorial Communications, which was later sold to Continental Telephone. In 1980, he was one of three founders of Vitalink Communications. Vitalink was originally a satellite-based carrier that migrated into a data-networking manufacturer. Dr. Russell served as its Vice President of Engineering. Vitalink went public in 1986. In 1992, Dr. Russell joined 3Com where he served as Vice President of Engineering for the router division and as Vice President and General Manager of two divisions manufacturing network access equipment. 3Com is a Fortune 500 Company. He left 3Com in 1998 to return to his entrepreneurial roots as an entrepreneur-in-residence with Crosspoint Venture Partners and with Sevin Rosen Funds. In December 1998, he co-founded Cmetric Inc. where he serves as President and Chairman of the Board. Dr. Russell has four patents granted in the field of data networking and satellite communication systems design. Dr. Russell has an additional four patents under application.

Mick Seaman, *Chief Technology Officer*

Mr. Michael Seaman has over 20 years experience in networking and communications. Mr. Seaman earned his Masters degree from Cambridge University in Physics and Theoretical Physics. He began his career at Acorn Computers, in Cambridge, England. In 1985, he joined BICC Data Networks where he was responsible for cross-product technical review and strategy. In 1987, he joined Digital Equipment Corporation where he led the initial and advanced product development for the DECNIS 500 and 600 high performance routers. In 1991, he joined 3Com where he was most recently the Vice President and Chief Technical Officer of 3Com Enterprise Systems, a multi-divisional business unit with revenues in excess of \$2 Billion. In 1999, he joined Cmetric as a cofounder where he serves as Chief Technology Officer. Mr. Seaman has 20 patents granted to date in the field of computer data networking covering both hardware system and protocol design. Mr. Seaman has an additional five patents under application. He chairs the IEEE 802.1 Interworking Task Group, which is responsible for LAN switching standards and is a member of the IEEE Registration Authority Committee.

Sean Whelan, *Vice President, Strategic Alliances*

Mr. Sean Whelan has 13 years experience in the communications industry. Mr. Whelan started his communication experience with EDS, a pioneer in the bandwidth trading industry, which is estimated to be worth \$9 Billion today. In addition, Mr. Whelan has held strategic pricing, product development, and planning positions at Sprint Communications. While at Sprint, Mr. Whelan was responsible for nationwide business development efforts and held senior sales management positions at the company. Mr. Whelan was also founded RateXchange, a B2B bandwidth-trading company, which is now publicly traded.

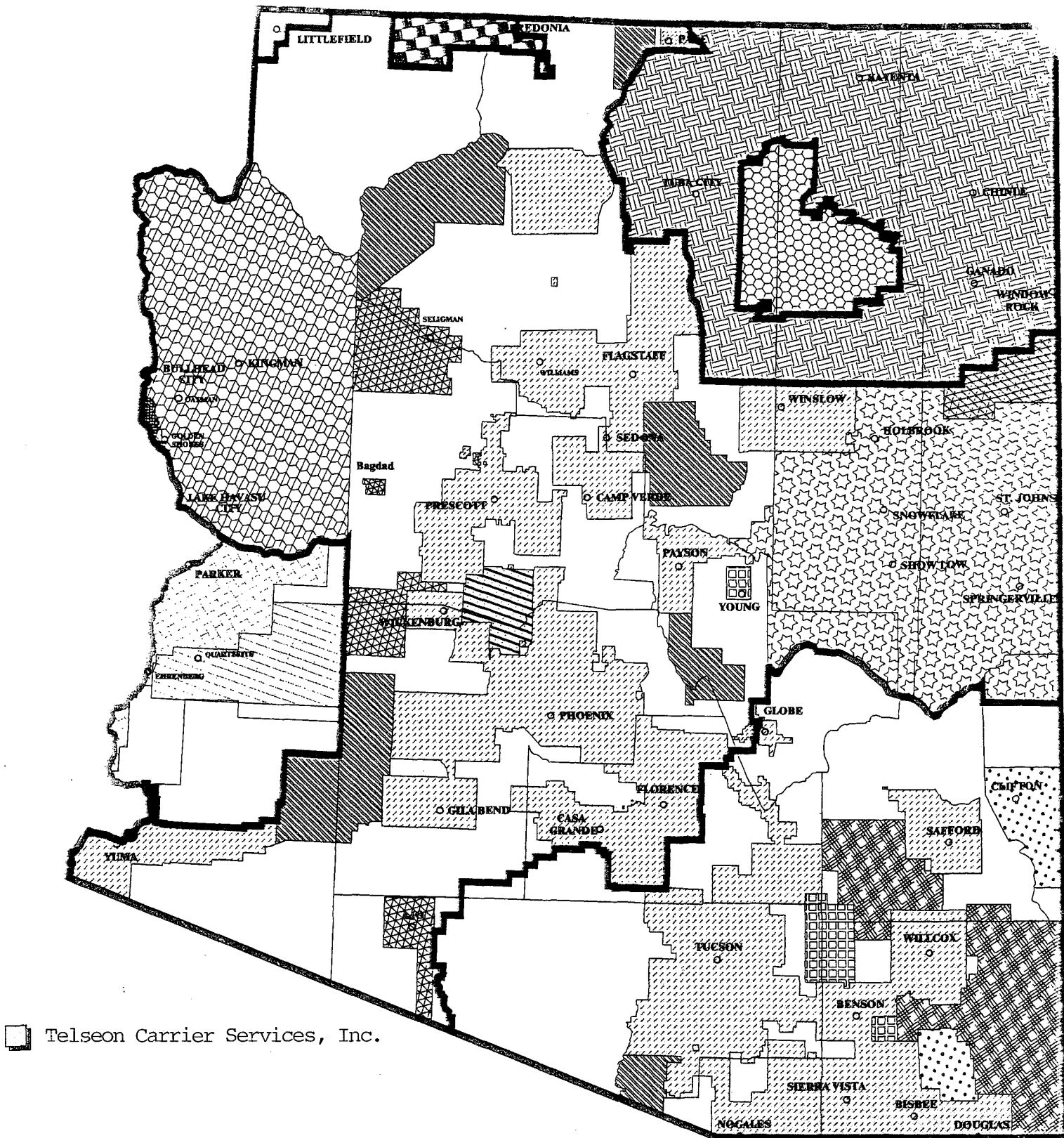
EXHIBIT C

Financial Qualifications

(Filed Under Separate Cover)

EXHIBIT D

Initial Service Area Map



STATE OF ARIZONA

Initial Service Territory
of
Telseon Carrier Services, Inc.

EXHIBIT E

Proposed Tariffs

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
GOVERNING THE PROVISION OF DEDICATED AND PRIVATE LINE
FACILITIES-BASED AND RESOLD LOCAL EXCHANGE SERVICES
WITHIN THE STATE OF ARIZONA

Issued: March 7, 2001

Effective:

Issued By: Steven Miller
General Counsel
Telseon Carrier Services, Inc.
7887 East Belleview Avenue, Suite 600
Englewood, Colorado 80111

CHECK SHEET

The pages of this tariff are effective as of the date shown. The original and revised pages named below contain all changes from the original tariff and are in effect on the date shown.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
Title	Original	32	Original
1	Original	33	Original
2	Original	34	Original
3	Original	35	Original
4	Original	36	Original
5	Original	37	Original
6	Original	38	Original
7	Original	39	Original
8	Original	40	Original
9	Original	41	Original
10	Original	42	Original
11	Original	43	Original
12	Original	44	Original
13	Original	45	Original
14	Original	46	Original
15	Original	47	Original
16	Original	48	Original
17	Original	49	Original
18	Original	50	Original
19	Original	51	Original
20	Original	52	Original
21	Original	53	Original
22	Original	54	Original
23	Original	55	Original
24	Original		
25	Original		
26	Original		
27	Original		
28	Original		
29	Original		
30	Original		
31	Original		

Issued: March 7, 2001

Effective:

Issued By: Steven Miller
General Counsel
Telseon Carrier Services, Inc.
7887 East Belleview Avenue, Suite 600
Englewood, Colorado 80111

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Issued: March 7, 2001

Effective:

Issued By: Steven Miller
General Counsel
Telseon Carrier Services, Inc.
7887 East Belleview Avenue, Suite 600
Englewood, Colorado 80111

SECTION 1 - EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND
ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

1.1 The following symbols shall be used in this Informational Tariff for the purpose indicated below:

C	-	To signify changed regulation.
D	-	To signify discontinued rate or regulation.
I	-	To signify increased rate.
M	-	To signify a move in the location of text.
N	-	To signify new rate or regulation.
R	-	To signify reduced rate.
S	-	To signify reissued matter.
T	-	To signify a change in text but no change in rate or regulation.

1.2 TARIFF FORMAT

1.2.1 Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between sheets 14 and 15 would be 14.A.

1.2.2 Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect.

Issued: March 7, 2001

Effective:

Issued By: Steven Miller
General Counsel
Telseon Carrier Services, Inc.
7887 East Belleview Avenue, Suite 600
Englewood, Colorado 80111

SECTION 1 - EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND
ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF Cont'd)

1.2 TARIFF FORMAT (Cont'd)

1.2.3 Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 1.
- 1.1.
- 1.1.1.
- 1.1.1.A.
- 1.1.1.A.1.
- 1.1.1.A.1.a.

1.2.4 Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

Issued: March 7, 2001

Effective:

Issued By: Steven Miller
General Counsel
Telseon Carrier Services, Inc.
7887 East Belleview Avenue, Suite 600
Englewood, Colorado 80111

SECTION 2 - DEFINITIONS

Certain terms used generally throughout this informational Tariff are described below.

Advance Payment

Part or all of a payment required before the start of service.

Access Services

The Company's interstate telephone services offered pursuant to this tariff.

Authorized User

A person, firm or corporation which is authorized by the customer or joint user to be connected to the service of the customer or joint user, respectively.

Commission

The Arizona Corporation Commission.

Company or Telseon

The term "Company" denotes Telseon Carrier Services, Inc.

Customer

The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Dedicated or Private Line

A facility or equipment system or subsystem set aside for the sole use of a specific customer.

End User or User

Any person or entity that obtains the Company's services provided under this Tariff, regardless of whether such person or entity is so authorized by the Customer.

ICB or Individual Case Basis

A service arrangement in which the regulation, rates and charges are developed based on the specific circumstances of the case.

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SECTION 2 - DEFINITIONS (Cont'd)

LATA

A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the NATIONAL EXCHANGE CARRIER ASSOCIATION, Inc. Tariff F.C.C. No. 4.

Network

Refers to the Company's facilities, equipment, and services provided under this Tariff.

Network Service

Intrastate communications service providing one-way and/or two-way information transmissions originating from points within the State of Arizona .

Service Commencement Date

The first date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this Tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the service or facility was used by a Customer.

Service Order

The written request for dedicated services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this Tariff, but the duration of the service is calculated from the Service Commencement Date. Should a Customer use the Company's dedicated service without an executed Service Order, the Company will then request the Customer to submit a Service Order.

Shared

A facility or equipment system or subsystem that can be used simultaneously by several Customers.

User

A customer, joint user, or any other person authorized by a customer to use service provided under this Tariff.

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SECTION 3 - APPLICATION OF TARIFF

- 3.1 This Tariff applies to the provision of dedicated and private line facilities-based and resold local exchange services within the State of Arizona.

This Tariff applies only to the extent that services provided hereunder are used by a Customer for the purpose of originating or terminating intrastate communications. A communication is "intrastate" only if all points of origination and termination are located within the State of Arizona.

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SECTION 4 - REGULATIONS

4.1 Undertaking of the Company

4.1.1 Scope

The Company undertakes to provide services in accordance with the terms and conditions set forth in this Tariff. Applications for initial or additional service made verbally or in writing become a contract upon the establishment of the service or facility.

4.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or because of any causes beyond its control.

4.1.3 Terms and Conditions

- A. Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this Tariff, a month is considered to have thirty (30) days.
- B. Customers may be required to enter into written Service Orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C. In any action between the parties to enforce any provision of this Tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.
- D. This Tariff shall be interpreted and governed by the laws of the State of Arizona regardless of its choice of laws provision.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability

- A. Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representatives, or use of these services; or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in this Tariff.
- B. Except for the extension of allowances to the Customer for interruptions in service as set forth in this Tariff, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
- D. The Company shall not be liable for any claims for loss or damages involving:
 - 1. Any act or omission of: (a) the Customer; (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen;

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability

D. (Cont'd)

2. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
3. Any unlawful or unauthorized use of the Company's facilities and services;
4. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
5. Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability (Cont'd)

D. (Cont'd)

6. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this Tariff.
7. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;
8. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
9. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company; or
10. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability (Cont'd)

- E. The Company shall be indemnified, defended, and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use, or removal of any Company or Customer equipment or facilities or service provided by the Company.

- F. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use, or removal of any equipment or facilities or the service.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability (Cont'd)

- G. The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- H. Except as otherwise stated in this Tariff, any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- I. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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SECTION 4 - REGULATIONS (Cont'd)**4.1 Undertaking of the Company (Cont'd)****4.1.5 Testing and Adjusting**

Upon suitable notice, the Company may make such tests, adjustments, and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No interruption allowance will be credited to the customer for the period during which the Company makes such tests, adjustments, or inspections.

4.1.6 Provision of Equipment and Facilities

- A. Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
- B. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of services under this Tariff and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:
 - 1. the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - 2. the reception of signals by Customer-provided equipment; or
 - 3. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.7 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this Tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the customer. Special construction is that construction undertaken:

- A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- B. of a type other than that which the Company would normally utilize in the furnishing of its services;
- C. over a route other than that which the Company would normally utilize in the furnishing of its services;
- D. in a quantity greater than that which the Company would normally construct;
- E. on an expedited basis;
- F. on a temporary basis until permanent facilities are available;
- G. involving abnormal costs; or
- H. in advance of its normal construction.

Special construction charges will be determined as described herein.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the Company, its agents, contractors or suppliers.

4.2 Prohibited Uses

- A. The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- B. The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offering complies with relevant laws and regulations, policies, orders, and decisions.
- C. The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.
- D. A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated Access Services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this Tariff will apply.

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SECTION 4 - REGULATIONS (Cont'd)

4.3 Obligations of the Customer

4.3.1 Customer Premises Provisions

- A. The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- B. The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

4.3.2 Liability of the Customer

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invitees, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in (A), preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, (2) the death of or injury to persons, including, but not limited to, employees or invitees of either party, and (3) any liability incurred by the Company to any third party pursuant to this or any other Tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

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SECTION 4 - REGULATIONS (Cont'd)

4.3 Obligations of the Customer (Cont'd)

4.3.2 Liability of the Customer (Cont'd)

- C. The Customer shall not assert any claim against any other customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other customer or user and not by any act or omission of the Company. Nothing in this Tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

4.4 Customer Equipment and Channels

4.4.1 Interconnection of Facilities

- A. In order to protect the Company's facilities and personnel and the services furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

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SECTION 4 - REGULATIONS (Cont'd)

4.4 Customer Equipment and Channels (Cont'd)

4.4.2 Inspections

- A. The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.
- B. If the protective requirements in connections with Customer provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including canceling service, to protect its facilities and personnel from harm. The Company will upon request 24 hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.

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SECTION 4 - REGULATIONS (Cont'd)

4.4 Customer Equipment and Channels (Cont'd)

4.4.3 Station Equipment

- A. Customer-provided terminal equipment on the premises of the Customer or other authorized user, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer, authorized user, or joint user.
- B. The Customer or other authorized user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.

4.4.4 Interconnection Provisions

Facilities furnished under this Tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)**4.5 Customer Deposits and Advance Payments****4.5.1 Advance Payments**

To safeguard its interests, the Company may require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount up to two (2) months of estimated monthly usage charges. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

4.5.2 Deposits

- A. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
1. For residential Customers: an estimated charge not to exceed two (2) times that Customer's estimated average monthly bill or the average monthly bill for the customer class for that Customer, whichever is greater.
 2. For nonresidential Customers: an estimated charge not to exceed two and a half (2 ½) times that Customer's maximum monthly bill.
- B. The estimated charges for Customers shall be based on the average monthly billing of the past six (6) months to that Customer. In the case of an applicant for service or a present Customer who does not have six (6) months service with the Company, the Company may use the average monthly bill for that class and type of service to determine the correct amount for that deposit.

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SECTION 4 - REGULATIONS (Cont'd)

4.5 Customer Deposits and Advance Payments (Cont'd)

4.5.2 Deposits (Cont'd)

- C. A deposit may be required in addition to an Advance Payment.
- D. Deposits plus interest shall be automatically refunded after being held for twelve (12) months, so long as:
 - 1. the Customer has paid any past due bill for service owed to the same Company;
 - 2. service has not been discontinued for nonpayment;
 - 3. the Company has not provided evidence that the Customer used a device or scheme to obtain service without payment.
- E. Interest shall be paid on deposits held by the Company. The rate of interest will be the same as the rate existing for one year United States treasury bills at that point in time when the determination of the interest rate is made by the Commission. The interest rate will be rounded to the nearest one-half (1/2) of one percent (1%). In December of each year the Commission shall announce the rate of interest which shall be paid on all deposits held during all or part of the subsequent year.

At the request of a Customer, the Company shall compute the accrued interest upon the deposit and pay such amount to the Customer. The Company need not make such payment more often than once in a twelve (12) month period, nor sooner than twelve (12) months after receipt of a deposit.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements

4.6.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

A. Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however, designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services.

4.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- A. Non-recurring charges are due and payable within thirty (30) days after the date of the invoice.
- B. The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within thirty (30) days after the date of the invoice. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.2 Billing and Collection of Charges (Cont'd)

- D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this Tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E. If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:
 - 1. a rate of 1.5 percent per month; or
 - 2. the highest interest rate which may be applied under State law for commercial transactions.
- F. The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company which a financial institution refuses to honor.
- G. If service is disconnected by the Company in accordance with Section 4.6.4 following and later reinstalled, service will be subject to all applicable installation charges.

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SECTION 4 - REGULATIONS (Cont'd)4.6 Payment Arrangements (Cont'd)4.6.3 Billing DisputesA. General

All bills are presumed accurate, and shall be binding on the Customer unless notice of the disputed charge(s) is received by the Company within ninety (90) days (commencing five (5) days after such bills have been mailed or otherwise rendered per the Company's normal course of business). For the purposes of this section, "notice" is defined as written notice to the Company, containing sufficient documentation to investigate the dispute, including the account number under which the bill has been rendered, the date of the bill, and the specific items on the bill being disputed.

B. Late Payment Charge

1. The undisputed portions of the bill must be paid by the payment due date to avoid assessment of a late payment charge on the undisputed amount as provided in this Tariff.
2. In the event that a billing dispute is resolved by the Company in favor of the Customer, any disputed amount withheld pending resolution of the billing dispute shall not be subject to the late payment charge.
3. In the event that a billing dispute is resolved in favor of the Company, the Customer shall pay the late payment charge.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.3 Billing Disputes (Cont'd)

C. Adjustments or Refunds to the Customer

1. In the event that the Company resolves the billing dispute in favor of a Customer who has withheld payment of the disputed amount pending resolution of the disputed bill, the Company will credit the Customer's account for the disputed amount in the billing period following the resolution of the dispute.
2. In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill, the Company will credit the Customer's account for any overpayment by the Customer in the billing period following the resolution of the dispute.
3. In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill but canceled the service, the Company will issue a refund of any overpayment by the Customer.
4. All adjustments or refunds provided by the Company to the Customer at the Customer's request, or provided by the Company to the Customer by way of compromise of a billing dispute, and which are accepted by the Customer, are final and constitute full satisfaction, settlement, and/or compromise of all of the Customer's claims for the billing period for which the adjustment or refund was issued.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.3 Billing Disputes (Cont'd)

D. Unresolved Billing Disputes

In the case of a billing dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled to the mutual satisfaction of the Customer and the Company, the Customer has up to ninety (90) days (commencing five (5) days after such bills have been mailed or otherwise rendered per the Company's normal course of business) to take the following course of action.

1. First, the Customer may request and the Company will provide an in-depth review of the disputed amount. The Company has available a toll-free number (800-842-6272) for customer service inquiries.
2. Second, if after investigation and review by the Company, a disagreement remains as to the disputed amount, the Customer may file an appropriate complaint with:

The Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007
Phone: (602) 542-3931 (Secretary)
(602) 542-3076 (Long message – press 5 for operator)
Fax: (602) 542-3977
Web: <http://www.cc.state.az.us/>

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SECTION 4 - REGULATIONS (Cont'd)4.6 Payment Arrangements (Cont'd)4.6.4 Discontinuance of Service for Cause

- A. Upon nonpayment of any amounts owing to the Company, the Company will provide the Customer with a written notice of pending disconnection. Service will not be discontinued until at least five (5) days after delivery of this notice or eight (8) days after the postmark date on a mailed notice. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof, the Company may terminate service on or after the day specified in the notice without giving further notice. Service will not be disconnected after 12.00 noon on a day before or on any Saturday, Sunday, legal holiday recognized by the State of Arizona, or any day when the Company's offices are not open for business.
1. Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 24 hours prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
 2. Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
 3. Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.4 Discontinuance of Service for Cause (Cont'd)

- E. Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- F. In the event of fraudulent use of the Company's network, the Company may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.
- G. Upon the Company's discontinuance of service to the Customer under this section, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

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SECTION 4 - REGULATIONS (Cont'd)**4.6 Payment Arrangements (Cont'd)****4.6.6 Customer Overpayment**

The Company will pay interest on a Customer overpayment. Customer overpayment shall mean a payment to the Company in excess of the correct charges for service when caused by erroneous billing by the Company. The rate of interest shall be the unadjusted interest rate paid on Customer deposits or the late payment penalty rate, whichever is greater. Interest shall be paid from the date when the Customer overpayment was made, adjusted for any changes in the deposit interest rate or late payment penalty rate, and compounded monthly, until the date when the overpayment is refunded. No interest shall be paid on Customer overpayments that are refunded within thirty (30) days after such overpayment is received by the Company.

4.6.7 Cancellation of Application for Service

- A. The Customer may cancel an application for service prior to installation of the equipment provided that the Customer immediately pay the Company any out of pocket expenses incurred by the Company plus a cancellation fee of two times the applicable monthly recurring service charge.
- B. Out of pocket expenses include but are not limited to the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service

4.7.1 General

- A. A credit allowance will be given when service is interrupted, except as specified below. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this Tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

4.7.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

- A. Due to the negligence of or noncompliance with the provisions of this Tariff by any person or entity other than the Company, including but not limited to the Customer or other common carriers connected to the service of the Company;
- B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.2 Limitations of Allowances (Cont'd)

- C. Due to circumstances or causes beyond the control of the Company;
- D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. During any period in which the Customer continues to use the service on an impaired basis;
- F. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. That was not reported to the Company within thirty (30) days of the date that service was affected.

4.7.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.4 Application of Credits for Interruptions in Service

- A. Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- B. For calculating credit allowances, every month is considered to have thirty (30) days.
- C. A credit allowance will be given for interruptions in service of 15 minutes or more. Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

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SECTION 4 - REGULATIONS (Cont'd)4.7 Allowances for Interruptions in Service (Cont'd)4.7.4 Application of Credits for Interruptions in Service (Cont'd)

D. Interruptions of 24 Hours or Less

<u>Interruption Period Length of Interruption</u>	<u>To Be Credited</u>
Less than 15 minutes	None
15 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

E. Continuous Interruption Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each three-hour period or fraction thereof that occurs following the expiration of the initial 24-hour period. No more than one full day's credit will be allowed for any period of 24 hours.

F. Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period that occurs following the expiration of the initial 72-hour period. No more than 30 days credit will be allowed for any one-month period.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.5 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

4.7.6 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption, Customer agrees to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.7 Termination Liability

Customer's termination liability for cancellation of service shall be equal to:

1. all unpaid Non-Recurring charges reasonably expended by Company to establish service to Customer, plus;
2. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
3. all Recurring Charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
4. minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.

4.8 Customer Liability for Unauthorized Use of the Network

4.8.1 Unauthorized Use of the Network

- A. Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's services provided under this Tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's services provided under this Tariff, or uses specific services that are not authorized.

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SECTION 4 - REGULATIONS (Cont'd)

4.8 Customer Liability for Unauthorized Use of the Network (Cont'd)

4.8.1 Unauthorized Use of the Network (Cont'd)

B. The following activities constitute fraudulent use:

1. Using the Network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
2. Using or attempting to use the Network with the intent to avoid payment, either in whole or part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this Tariff to any service components used to furnish the Company's services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;
3. Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.

C. Customers are advised that use of telecommunications equipment and services, including that provided under this Tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to, toll and PBX fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and services provided hereunder, and to detect and prevent unauthorized use of the equipment and services provided by the Company under this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)

4.8 Customer Liability for Unauthorized Use of the Network (Cont'd)

4.8.2 Liability for Unauthorized Use

- A. Except as provided for elsewhere in this Tariff, the Customer is responsible for payment of all charges for services provided under this Tariff furnished to the Customer or User. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- B. The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive charges.
- C. The Customer is responsible for payment of any charges related to the suspension and/or termination of service, and any charges for reconnection of service, incurred as a result of unauthorized use of the Network.

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SECTION 5 - SERVICE DESCRIPTIONS**5.1 General**

The various types of the Company's service offerings are described below. Company services are billed at predetermined monthly rates. Recurring charges are billed in advance of the month in which service is performed. In addition, the optional features and any extraordinary installation costs other than recurring and non-recurring charges may apply as described herein. Agreements for services in excess of ten (10) years will be negotiated on an ICB. All additional arrangements arising under this Tariff will be filed with the Commission prior to service.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)

5.2 Service Configurations

Company's services are provided as follows:

5.2.1 Point-To-Point Service

Point-To-Point Service connects two Customer-designated premises, either on a directly connected basis, or through a hub where multiplexing functions are performed.

5.3 Service Descriptions and Technical Specifications

The following service descriptions and technical specifications will apply to Company's services. When references to Bellcore Technical Publications are made for performance criteria, the criteria will be considered objectives for Company's performance. In no case should the reference to these Bellcore standards be construed as creating any warranties on the part of Company. Technical publications are available for review by the Customer upon request.

5.3.1 DS-1 Service

DS-1 Service, or Digital Signal Level 1 Service, is a channel for the transmission of 1.544 Mbps data. The actual bit rate and framing format is a function of the channel interface selected by the Customer. DS-1 Channels are provided between Customer designated locations and between Customer designated locations and a Company's hub.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)**5.3 Service Descriptions and Technical Specifications (Cont'd)****5.3.2 DS-3 Service**

DS-3 Service, or Digital Signal Level 3 Service, is a channel for the transmission of 44.736 Mbps data. The actual bit rate and framing format is a function of the channel interface selected by the Customer. DS-3 Channels are provided between Customer designated locations and/or between Customer designated locations and a Company's hub. DS-3 service is provided with an electrical interface. As an option, this service may be provided to a Customer with an optical interface at the Customer's premises.

5.3.3 DS-3 (X3), (X9), or (X12), (X24) Services

DS-3 services may be ordered in multiples of 3 (X3), 9 (X9), or 12 (X12) (X24). These services are offered in the same configuration as DS-3 service (i.e., either electrical or optical interface), and with the same technical specifications. These services will be provided initially on an ICB.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)**5.4 Rate Categories**

There are several rate categories that may apply to Company's Services.

5.4.1 Channel Terminations

The Channel Termination Rate Category provides for the communications path between a Customer designated premises, and another Customer designated premises. Included as part of the Channel Termination is a standard channel interface arrangement which defines the technical characteristics associated with the type of facilities to which the Company's service is to be connected, and the type of signaling capability (if any). One channel Termination charge applies per Customer designated premises at which the service is terminated.

5.4.2 Channel Mileage

The Channel Mileage Rate Category provides for the transmission facilities between two or more Customer designated premises. The Channel Mileage Rate Category is not applied to services that are less than one V&H computed mile (as described in Section 5.6 of this Tariff), unless specified. Channel Mileage Rates are comprised of a Fixed Mileage Rate, applied to the first mile, and a Per Mile Rate Element, applied for each mile.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)5.4 Rate Categories (Cont'd)5.4.3 Optional Features and Functions

The Optional Features and Functions Rate Category provides for optional services which may be added to a Company's service to improve its quality or characteristics to meet specific communications requirements. These services are not necessarily identifiable with specific equipment, but rather represent the end result in terms of performance characteristics which may be obtained. These characteristics may be derived using various combinations of equipment.

5.4.4 Extraordinary Charges

From time to time, Customers may request special services not addressed specifically by rate elements in this Tariff, or services to locations that may cause Company to incur extraordinary expenses not contemplated in the provision of standard service offerings. These costs include, but are not limited to:

- Additional construction costs
- Building space rental or rights-of-way costs
- Additional equipment
- Special facilities routing

In these cases, the Customer will be billed additional charges computed on an ICB. Special services not addressed in this Tariff shall be approved by the Commission prior to the provision of such service.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)

5.5 Application of Rate Categories

The rate categories described in Section 5.4 of this Tariff will be applied as follows:

5.5.1 Point-To-Point Services

- Channel Terminations (2 applicable)
- Channel Mileage (when applicable)
- Optional Features and Functions (when applicable)
- Extraordinary Charges (when applicable)
- Flexible Pricing (when applicable)
- Service Discount Plans (when applicable)

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)**5.6 Contract Rates - Special Pricing Arrangements-ICB**

- 5.6.1 In lieu of the rates otherwise set forth in this Tariff, rates and charges, including minimum usage, installation, special construction and recurring charges for Company's services may be established at negotiated rates on an ICB, taking into account the nature of the facilities and services, the costs of construction and operation, the volume of traffic, the length of service commitment by the Customer, and use of facilities by other Customers. Such arrangements shall be considered Special Pricing Arrangements, the terms of which will be set forth in individual Customer contracts. However, unless otherwise specified, the terms, conditions, obligations and regulations set forth in this Tariff shall be incorporated into, and become a part of, said contract, and shall be binding on Company and Customer.
- 5.6.2 In addition to any rate or charge established by the Company, the Customer will also be responsible for any recurring or non-recurring charges imposed by local exchange telephone companies incurred by or on behalf of the Customer in establishing and maintaining service. Such charges may be billed by the Company or directly by the local exchange company, at the Company's option.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)

5.7 Back Billing

Company shall be entitled to revise bills previously rendered to adjust for previously rendered unbilled service, or adjust upward a bill previously rendered, assuming that the Customer was aware of the unbilled services during the period the services were unbilled, for a period of six (6) years after the service was rendered.

5.8 Temporary Promotional Programs

The Company may establish temporary promotional programs, wherein it may waive or reduce recurring or non-recurring charges, to introduce a present or potential Customer to a service not previously received by the Customer. The terms of promotional programs will be filed with the Commission subject to the requirements of applicable law, except if the promotion is to reduce rates.

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SECTION 6 - RATES AND CHARGES

6.1 General Regulations

6.1.1 Except as specifically indicated, the rates set forth in this section are for private line services where the originating and terminating points are on Company's existing network. In all other situations, special construction charges may apply in order to connect locations to Company's network.

6.1.2 Services may be provided using one, or a combination of rate elements as outlined in this Tariff.

6.1.3 Unless otherwise indicated, rates apply uniformly in all areas served by the Company.

6.1.4 Services for which a rate of "NOC" is listed are not offered currently.

6.2 Charges for Changes to Pending Orders, Service Rearrangements and Expedite Charges

From time to time, Customers may request changes to pending orders, rearrangements to existing service, and order completion to standard intervals. In these cases, the Customer will be required to reimburse Company for the increased expenses incurred on an ICB.

6.3 Nonrecurring Charge

Nonrecurring charges will be charged on a time and materials basis.

6.4 Special Construction

6.4.1 Basis for Rates and Charges

Rates and charges for special construction will be based on the costs incurred by the Company and may include: (1) nonrecurring type charges; (2) recurring type charges; (3) termination liabilities; or (4) combinations thereof.

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SECTION 6 - RATES AND CHARGES (Cont'd)

6.4 Special Construction (Cont'd)

6.4.2 Basis for Cost Computation

The costs referred to in Section 6.4.1 may include one or more of the following items to the extent that they are applicable:

- A. cost installation of the facilities to be provided, including estimated costs for the rearrangements of existing facilities. Cost installation includes the cost of:
 - (1) equipment and materials provided or used,
 - (2) engineering, labor and supervision,
 - (3) transportation, and
 - (4) rights-of-way;
- B. cost of maintenance;
- C. depreciation on the estimated cost installation of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- D. administration, taxes and uncollectable revenue on the basis of reasonable average costs for these items;
- E. license preparation, processing and related fees;
- F. tariff preparation, processing and related fees;
- G. any other identifiable costs related to the facilities provided; or
- H. an amount for return and contingencies.

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SECTION 6 - RATES AND CHARGES (Cont'd)
6.5 Rates6.5.1 Point-To-Point ServicesA. DS1 - 1.544 Mbps1. Channel Terminationa. Initial, per termination

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
- 1 through 5 circuits	\$340.00	\$150.00	\$680.00	\$300.00
- 6 through 12 circuits	\$340.00	\$142.50	\$680.00	\$286.00
- 13 through 18 circuits	\$340.00	\$138.75	\$680.00	\$277.50
- 19 circuits and above	\$340.00	\$135.00	\$680.00	\$270.00

b. Subsequent, per termination

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
- 1 through 5 circuits	\$316.00	\$150.00	\$632.00	\$300.00
- 6 through 12 circuits	\$316.00	\$142.50	\$632.00	\$286.00
- 13 through 18 circuits	\$316.00	\$138.75	\$632.00	\$277.50
- 19 circuits and above	\$316.00	\$135.00	\$632.00	\$270.00

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SECTION 6 - RATES AND CHARGES (Cont'd)
6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)A. DS1 - 1.544 Mbps (Cont'd)2. Transport Mileage [1]a. 1 through 5 circuits

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands</u> [1]				
Over 0 to 8 miles				
-Fixed	\$285.00	\$150.00	\$570.00	\$300.00
-Per mile	-	\$11.00	-	\$22.00
Over 8 to 25 miles				
-Fixed	\$285.00	\$200.00	\$570.00	\$400.00
-Per mile	-	\$15.000	-	\$30.00
Over 25 to 50 miles				
-Fixed	\$285.00	\$250.00	\$570.00	\$500.00
-Per mile	-	\$17.00	-	\$34.00
Over 50 miles				
-Fixed	\$285.00	\$250.00	\$570.00	\$500.00
-Per mile	-	\$17.00	-	\$34.00

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)A. DS1 - 1.544 Mbps (Cont'd)2. Transport Mileage (Cont'd)b. 6 through 12 circuits

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands</u> [1]				
Over 0 to 8 miles				
-Fixed	\$285.00	\$142.50	\$570.00	\$285.00
-Per mile	-	\$10.45	-	\$20.90
Over 8 to 25 miles				
-Fixed	\$285.00	\$190.00	\$570.00	\$380.00
-Per mile	-	\$14.25	-	\$28.50
Over 25 to 50 miles				
-Fixed	\$285.00	\$237.50	\$570.00	\$475.00
-Per mile	-	\$16.15	-	\$32.30
Over 50 miles				
-Fixed	\$285.00	\$237.50	\$570.00	\$475.00
-Per mile	-	\$16.15	-	\$32.30

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)A. DS1 - 1.544 Mbps (Cont'd)2. Transport Mileage (Cont'd)c. 13 through 18 circuits

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands</u> [1]				
Over 0 to 8 miles				
-Fixed	\$285.00	\$142.50	\$570.00	\$285.00
-Per mile	-	\$10.18	-	\$20.36
Over 8 to 25 miles				
-Fixed	\$285.00	\$185.00	\$570.00	\$370.00
-Per mile	-	\$13.88	-	\$27.76
Over 25 to 50 miles				
-Fixed	\$285.00	\$231.25	\$570.00	\$462.50
-Per mile	-	\$15.73	-	\$31.46
Over 50 miles				
-Fixed	\$285.00	\$231.25	\$570.00	\$462.50
-Per mile	-	\$15.73	-	\$31.46

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)B. DS3 – 44.736 Mbps1. Channel Termination , per point of terminationa. Electrical Interface

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
Capacity of 1	\$545.00	\$1,282.50	\$1,090.00	\$2,565.00
Capacity of 2	-	\$2,090.00	-	\$4,180.00
- Per DS3	\$545.00	\$179.90	\$1,090.00	\$359.80
Capacity of 3-	-	\$2,384.50	-	\$4,769.00
- Per DS3	\$545.00	\$143.45	\$1,090.00	\$286.90
Capacity of 6	-	\$3,709.75	-	\$7,419.50
- Per DS3	\$545.00	\$90.25	\$1,090.00	\$180.50
Capacity of 9	-	\$5,386.50	-	\$10,773.00
- Per DS3	\$545.00	\$87.40	\$1,090.00	\$174.80
Capacity of 12	-	\$7,110.75	-	\$14,221.50
- Per DS3	\$545.00	\$87.40	\$1,090.00	\$174.80
Capacity of 24	-	\$13,532.75	-	\$27,065.50
- Per DS3	\$545.00	\$87.40	\$1,090.00	\$174.80
Capacity of 36-	-	\$17,712.75	-	\$35,425.50
- Per DS3	\$545.00	\$104.50	\$1,090.00	\$209.00

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)B. DS3 – 44.736 Mbps (Cont'd)2. Transport Mileage [1]

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands]</u>				
Over 0 to 8 miles				
-Fixed	\$605.00	\$590.90	\$1,210.00	\$1,181.80
-Per mile	-	\$51.26	-	\$102.52
Over 8 to 25 miles				
-Fixed	\$605.00	\$593.73	\$1,210.00	\$1,187.46
-Per mile	-	\$35.15	-	\$70.30
Over 25 to 50 miles				
-Fixed	\$605.00	\$598.50	\$1,210.00	\$1,197.00
-Per mile	-	\$51.11	-	\$102.22
Over 50 miles				
-Fixed	\$605.00	\$619.40	\$1,210.00	\$1,238.80
-Per mile	-	\$57.90	-	\$115.80

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)B. DS3 – 44.736 Mbps (Cont'd)3. Optional Features and Functionsa. Central Office Multiplexing [1]

<u>Actual</u>		<u>Maximum</u>	
<u>NRC</u>	<u>Monthly</u>	<u>NRC</u>	<u>Monthly</u>
\$355.00	\$357.20	\$710.00	\$714.40

b. Per Central Office Termination

<u>Actual</u>		<u>Maximum</u>	
<u>NRC</u>	<u>Monthly</u>	<u>NRC</u>	<u>Monthly</u>
\$355.00	\$315.00	\$710.00	\$630.00

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REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
GOVERNING THE PROVISION OF DEDICATED AND PRIVATE LINE
FACILITIES-BASED AND RESOLD INTEREXCHANGE SERVICES
WITHIN THE STATE OF ARIZONA

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CHECK SHEET

The pages of this tariff are effective as of the date shown. The original and revised pages named below contain all changes from the original tariff and are in effect on the date shown.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
Title	Original	32	Original
1	Original	33	Original
2	Original	34	Original
3	Original	35	Original
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5	Original	37	Original
6	Original	38	Original
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8	Original	40	Original
9	Original	41	Original
10	Original	42	Original
11	Original	43	Original
12	Original	44	Original
13	Original	45	Original
14	Original	46	Original
15	Original	47	Original
16	Original	48	Original
17	Original	49	Original
18	Original	50	Original
19	Original	51	Original
20	Original	52	Original
21	Original	53	Original
22	Original	54	Original
23	Original	55	Original
24	Original		
25	Original		
26	Original		
27	Original		
28	Original		
29	Original		
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SECTION 1 - EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND
ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

1.1 The following symbols shall be used in this Informational Tariff for the purpose indicated below:

C	-	To signify changed regulation.
D	-	To signify discontinued rate or regulation.
I	-	To signify increased rate.
M	-	To signify a move in the location of text.
N	-	To signify new rate or regulation.
R	-	To signify reduced rate.
S	-	To signify reissued matter.
T	-	To signify a change in text but no change in rate or regulation.

1.2 Tariff Format

1.2.1 Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between sheets 14 and 15 would be 14.A.

1.2.2 Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect.

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**SECTION 1 - EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND
ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF**

1.2 Tariff Format (Cont'd)

1.2.3 Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 1.
- 1.1.
- 1.1.1.
- 1.1.1.A.
- 1.1.1.A.1.
- 1.1.1.A.1.a.

1.2.4 Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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SECTION 2 - DEFINITIONS

Certain terms used generally throughout this informational Tariff are described below.

Advance Payment

Part or all of a payment required before the start of service.

Access Services

The Company's interstate telephone services offered pursuant to this tariff.

Authorized User

A person, firm or corporation which is authorized by the customer or joint user to be connected to the service of the customer or joint user, respectively.

Commission

The Arizona Corporation Commission.

Company or Telseon

The term "Company" denotes Telseon Carrier Services, Inc.

Customer

The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Dedicated or Private Line

A facility or equipment system or subsystem set aside for the sole use of a specific customer.

End User or User

Any person or entity that obtains the Company's services provided under this Tariff, regardless of whether such person or entity is so authorized by the Customer.

ICB or Individual Case Basis

A service arrangement in which the regulation, rates and charges are developed based on the specific circumstances of the case.

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SECTION 2 - DEFINITIONS (Cont'd)

LATA

A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the NATIONAL EXCHANGE CARRIER ASSOCIATION, Inc. Tariff F.C.C. No. 4.

Network

Refers to the Company's facilities, equipment, and services provided under this Tariff.

Network Service

Intrastate communications service providing one-way and/or two-way information transmissions originating from points within the State of Arizona .

Service Commencement Date

The first date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this Tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the service or facility was used by a Customer.

Service Order

The written request for dedicated services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this Tariff, but the duration of the service is calculated from the Service Commencement Date. Should a Customer use the Company's dedicated service without an executed Service Order, the Company will then request the Customer to submit a Service Order.

Shared

A facility or equipment system or subsystem that can be used simultaneously by several Customers.

User

A customer, joint user, or any other person authorized by a customer to use service provided under this Tariff.

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SECTION 3 - APPLICATION OF TARIFF

3.1 This Tariff applies to intrastate long distance private line service supplied to Customers.

This Tariff applies only to the extent that services provided hereunder are used by a Customer for the purpose of originating or terminating intrastate communications. A communication is "intrastate" only if all points of origination and termination are located within the State of Arizona.

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SECTION 4 - REGULATIONS

4.1 Undertaking of the Company

4.1.1 Scope

The Company undertakes to provide services in accordance with the terms and conditions set forth in this Tariff. Applications for initial or additional service made verbally or in writing become a contract upon the establishment of the service or facility.

4.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or because of any causes beyond its control.

4.1.3 Terms and Conditions

- A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this Tariff, a month is considered to have 30 days.
- B) Customers may be required to enter into written Service Orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C) In any action between the parties to enforce any provision of this Tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.
- D) This Tariff shall be interpreted and governed by the laws of the State of Arizona regardless of its choice of laws provision.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability

- A) Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representatives, or use of these services; or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in this Tariff.
- B) Except for the extension of allowances to the Customer for interruptions in service as set forth in this Tariff, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- C) The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
- D) The Company shall not be liable for any claims for loss or damages involving:
 - 1) Any act or omission of: (a) the Customer; (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen;

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability

- 2) Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
- 3) Any unlawful or unauthorized use of the Company's facilities and services;
- 4) Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
- 5) Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability (Cont'd)

- 6) Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this Tariff.
- 7) Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;
- 8) Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- 9) Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company; or
- 10) Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability (Cont'd)

- E) The Company shall be indemnified, defended, and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use, or removal of any Company or Customer equipment or facilities or service provided by the Company.

- F) The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use, or removal of any equipment or facilities or the service.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.4 Limitations on Liability (Cont'd)

- G) The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- H) Except as otherwise stated in this Tariff, any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- I) THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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SECTION 4 - REGULATIONS (Cont'd)**4.1 Undertaking of the Company (Cont'd)****4.1.5 Testing and Adjusting**

Upon suitable notice, the Company may make such tests, adjustments, and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No interruption allowance will be credited to the customer for the period during which the Company makes such tests, adjustments, or inspections.

4.1.6 Provision of Equipment and Facilities

- A. Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
- B. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of services under this Tariff and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:
 - 1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - 2) the reception of signals by Customer-provided equipment; or
 - 3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.7 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this Tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the customer. Special construction is that construction undertaken:

- A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- B. of a type other than that which the Company would normally utilize in the furnishing of its services;
- C. over a route other than that which the Company would normally utilize in the furnishing of its services;
- D. in a quantity greater than that which the Company would normally construct;
- E. on an expedited basis;
- F. on a temporary basis until permanent facilities are available;
- G. involving abnormal costs; or
- H. in advance of its normal construction.

Special construction charges will be determined as described herein.

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SECTION 4 - REGULATIONS (Cont'd)

4.1 Undertaking of the Company (Cont'd)

4.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the Company, its agents, contractors or suppliers.

4.2 Prohibited Uses

- A. The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- B. The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offering complies with relevant laws and regulations, policies, orders, and decisions.
- C. The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.
- D. A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated Access Services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this Tariff will apply.

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SECTION 4 - REGULATIONS (Cont'd)

4.3 Obligations of the Customer

4.3.1 Customer Premises Provisions

- A. The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- B. The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

4.3.2 Liability of the Customer

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invitees, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in (A), preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, (2) the death of or injury to persons, including, but not limited to, employees or invitees of either party, and (3) any liability incurred by the Company to any third party pursuant to this or any other Tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

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SECTION 4 - REGULATIONS (Cont'd)

4.3 Obligations of the Customer (Cont'd)

4.3.2 Liability of the Customer (Cont'd)

- C. The Customer shall not assert any claim against any other customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other customer or user and not by any act or omission of the Company. Nothing in this Tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

4.4 Customer Equipment and Channels

4.4.1 Interconnection of Facilities

- A. In order to protect the Company's facilities and personnel and the services furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

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SECTION 4 - REGULATIONS (Cont'd)

4.4 Customer Equipment and Channels (Cont'd)

4.4.2 Inspections

- A. The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.
- B. If the protective requirements in connections with Customer provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within ten (10) days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including canceling service, to protect its facilities and personnel from harm. The Company will upon request 24 hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.

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SECTION 4 - REGULATIONS (Cont'd)

4.4 Customer Equipment and Channels (Cont'd)

4.4.3 Station Equipment

- A. Customer-provided terminal equipment on the premises of the Customer or other authorized user, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer, authorized user, or joint user.
- B. The Customer or other authorized user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.

4.4.4 Interconnection Provisions

Facilities furnished under this Tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)4.5 Customer Deposits and Advance Payments4.5.1 Advance Payments

To safeguard its interests, the Company may require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount up to two (2) months of estimated monthly usage charges. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

4.5.2 Deposits

- A. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
1. For residential Customers: an estimated charge not to exceed two (2) times that Customer's estimated average monthly bill or the average monthly bill for the customer class for that Customer, which ever is greater.
 2. For nonresidential Customers: an estimated charge not to exceed two and a half (2 1/2) times that Customer's maximum monthly bill.
- B. The estimated charges for Customers shall be based on the average monthly billing of the past six (6) months to that Customer. In the case of an applicant for service or a present Customer who does not have six (6) months service with the Company, the Company may use the average monthly bill for that class and type of service to determine the correct amount for that deposit.

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SECTION 4 - REGULATIONS (Cont'd)

4.5 Customer Deposits and Advance Payments (Cont'd)

4.5.2 Deposits (Cont'd)

- C. A deposit may be required in addition to an Advance Payment.
- D. Deposits plus interest shall be automatically refunded after being held for twelve (12) months, so long as:
 - 1. the Customer has paid any past due bill for service owed to the Company;
 - 2. service has not been discontinued for nonpayment;
 - 3. the Company has not provided evidence that the Customer used a device or scheme to obtain service without payment.
- E. Interest shall be paid on deposits held by the Company. The rate of interest will be the same as the rate existing for one year United States treasury bills at that point in time when the determination of the interest rate is made by the Commission. The interest rate will be rounded to the nearest one-half (1/2) of one percent (1%). In December of each year, the Commission shall announce the rate of interest which shall be paid on all deposits held during all or part of the subsequent year.

At the request of a Customer, the Company shall compute the accrued interest upon the deposit and pay such amount to the Customer. The Company need not make such payment more often than once in a twelve (12) month period, nor sooner than twelve (12) months after receipt of a deposit.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements

4.6.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

A. Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however, designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services.

4.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- A. Non-recurring charges are due and payable within thirty (30) days after the date of the invoice.
- B. The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within thirty (30) days after the date of the invoice. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.2 Billing and Collection of Charges (Cont'd)

- D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this Tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E. If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:
 - 1. a rate of 1.5 percent per month; or
 - 2. the highest interest rate which may be applied under State law for commercial transactions.
- F. The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company which a financial institution refuses to honor.
- G. If service is disconnected by the Company in accordance with Section 4.6.4 following and later reinstalled, service will be subject to all applicable installation charges.

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SECTION 4 - REGULATIONS (Cont'd)4.6 Payment Arrangements (Cont'd)4.6.3 Billing DisputesA. General

All bills are presumed accurate, and shall be binding on the Customer unless notice of the disputed charge(s) is received by the Company within ninety (90) days (commencing five (5) days after such bills have been mailed or otherwise rendered per the Company's normal course of business). For the purposes of this section, "notice" is defined as written notice to the Company, containing sufficient documentation to investigate the dispute, including the account number under which the bill has been rendered, the date of the bill, and the specific items on the bill being disputed.

B. Late Payment Charge

1. The undisputed portions of the bill must be paid by the payment due date to avoid assessment of a late payment charge on the undisputed amount as provided in this Tariff.
2. In the event that a billing dispute is resolved by the Company in favor of the Customer, any disputed amount withheld pending resolution of the billing dispute shall not be subject to the late payment charge.
3. In the event that a billing dispute is resolved in favor of the Company, the Customer shall pay the late payment charge.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.3 Billing Disputes (Cont'd)

C. Adjustments or Refunds to the Customer

1. In the event that the Company resolves the billing dispute in favor of a Customer who has withheld payment of the disputed amount pending resolution of the disputed bill, the Company will credit the Customer's account for the disputed amount in the billing period following the resolution of the dispute.
2. In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill, the Company will credit the Customer's account for any overpayment by the Customer in the billing period following the resolution of the dispute.
3. In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill but canceled the service, the Company will issue a refund of any overpayment by the Customer.
4. All adjustments or refunds provided by the Company to the Customer at the Customer's request, or provided by the Company to the Customer by way of compromise of a billing dispute, and which are accepted by the Customer, are final and constitute full satisfaction, settlement, and/or compromise of all of the Customer's claims for the billing period for which the adjustment or refund was issued.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.3 Billing Disputes (Cont'd)

D. Unresolved Billing Disputes

In the case of a billing dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled to the mutual satisfaction of the Customer and the Company, the Customer has up to ninety (90) days (commencing five (5) days after such bills have been mailed or otherwise rendered per the Company's normal course of business) to take the following course of action.

1. First, the Customer may request and the Company will provide an in-depth review of the disputed amount. The Company has available a toll-free number (800-842-6272) for customer service inquiries.
2. Second, if after investigation and review by the Company, a disagreement remains as to the disputed amount, the Customer may file an appropriate complaint with:

The Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007
Phone: (602) 542-3931 (Secretary)
(602) 542-3076 (Long message – press 5 for operator)
Fax: (602) 542-3977
Web: <http://www.cc.state.az.us/>

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SECTION 4 - REGULATIONS (Cont'd)**4.6 Payment Arrangements (Cont'd)****4.6.4 Discontinuance of Service for Cause**

1. Upon nonpayment of any amounts owing to the Company, the Company will provide the Customer with a written notice of pending disconnection. Service will not be discontinued until at least five (5) days after delivery of this notice or eight (8) days after the postmark date on a mailed notice. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof, the Company may terminate service on or after the day specified in the notice without giving further notice. Service will not be disconnected after 12.00 noon on a day before or on any Saturday, Sunday, legal holiday recognized by the State of Arizona, or any day when Company's offices are not open for business.
2. Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving five (5) days prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
3. Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
4. Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

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SECTION 4 - REGULATIONS (Cont'd)

4.6 Payment Arrangements (Cont'd)

4.6.4 Discontinuance of Service for Cause (Cont'd)

- E. Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- F. In the event of fraudulent use of the Company's network, the Company may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.
- G. Upon the Company's discontinuance of service to the Customer under this section, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

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SECTION 4 - REGULATIONS (Cont'd)4.6 Payment Arrangements (Cont'd)4.6.6 Customer Overpayment

The Company will pay interest on a Customer overpayment. Customer overpayment shall mean a payment to the Company in excess of the correct charges for service when caused by erroneous billing by the Company. The rate of interest shall be the unadjusted interest rate paid on Customer deposits or the late payment penalty rate, whichever is greater. Interest shall be paid from the date when the Customer overpayment was made, adjusted for any changes in the deposit interest rate or late payment penalty rate, and compounded monthly, until the date when the overpayment is refunded. No interest shall be paid on Customer overpayments that are refunded within thirty (30) days after such overpayment is received by the Company.

4.6.7 Cancellation of Application for Service

- A. The Customer may cancel an application for service prior to installation of the equipment provided that the Customer immediately pay the Company any out of pocket expenses incurred by the Company plus a cancellation fee of two times the applicable monthly recurring service charge.
- B. Out of pocket expenses include but are not limited to the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service

4.7.1 General

- A. A credit allowance will be given when service is interrupted, except as specified below. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this Tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

4.7.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

- A. Due to the negligence of or noncompliance with the provisions of this Tariff by any person or entity other than the Company, including but not limited to the Customer or other common carriers connected to the service of the Company;
- B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.2 Limitations of Allowances (Cont'd)

- C. Due to circumstances or causes beyond the control of the Company;
- D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. During any period in which the Customer continues to use the service on an impaired basis;
- F. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. That was not reported to the Company within thirty (30) days of the date that service was affected.

4.7.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.4 Application of Credits for Interruptions in Service

- A. Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- B. For calculating credit allowances, every month is considered to have thirty (30) days.
- C. A credit allowance will be given for interruptions in service of 15 minutes or more. Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

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SECTION 4 - REGULATIONS (Cont'd)4.7 Allowances for Interruptions in Service (Cont'd)4.7.4 Application of Credits for Interruptions in Service (Cont'd)D. Interruptions of 24 Hours or Less

<u>Interruption Period Length of Interruption</u>	<u>To Be Credited</u>
Less than 15 minutes	None
15 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

E. Continuous Interruption Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each three-hour period or fraction thereof that occurs following the expiration of the initial 24-hour period. No more than one full day's credit will be allowed for any period of 24 hours.

F. Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period that occurs following the expiration of the initial 72-hour period. No more than 30 days credit will be allowed for any one-month period.

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SECTION 4 - REGULATIONS (Cont'd)**4.7 Allowances for Interruptions in Service (Cont'd)****4.7.5 Cancellation For Service Interruption**

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

4.7.6 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption, Customer agrees to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)

4.7 Allowances for Interruptions in Service (Cont'd)

4.7.7 Termination Liability

Customer's termination liability for cancellation of service shall be equal to:

- A. all unpaid Non-Recurring charges reasonably expended by Company to establish service to Customer, plus;
- B. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
- C. all Recurring Charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- D. minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.

4.8 Customer Liability for Unauthorized Use of the Network

4.8.1 Unauthorized Use of the Network

- A. Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's services provided under this Tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's services provided under this Tariff, or uses specific services that are not authorized.

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SECTION 4 - REGULATIONS (Cont'd)

4.8 Customer Liability for Unauthorized Use of the Network (Cont'd)

4.8.1 Unauthorized Use of the Network (Cont'd)

B. The following activities constitute fraudulent use:

1. Using the Network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
2. Using or attempting to use the Network with the intent to avoid payment, either in whole or part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this Tariff to any service components used to furnish the Company's services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;
3. Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.

C. Customers are advised that use of telecommunications equipment and services, including that provided under this Tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to, toll and PBX fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and services provided hereunder, and to detect and prevent unauthorized use of the equipment and services provided by the Company under this Tariff.

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SECTION 4 - REGULATIONS (Cont'd)

4.8 Customer Liability for Unauthorized Use of the Network (Cont'd)

4.8.2 Liability for Unauthorized Use

- A. Except as provided for elsewhere in this Tariff, the Customer is responsible for payment of all charges for services provided under this Tariff furnished to the Customer or User. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- B. The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive charges.
- C. The Customer is responsible for payment of any charges related to the suspension and/or termination of service, and any charges for reconnection of service, incurred as a result of unauthorized use of the Network.

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SECTION 5 - SERVICE DESCRIPTIONS**5.1 General**

The various types of Company service offerings are described below. Company services are billed at predetermined monthly rates. Recurring charges are billed in advance of the month in which service is performed. In addition, the optional features and any extraordinary installation costs other than recurring and non-recurring charges may apply as described herein. Agreements for services in excess of ten (10) years will be negotiated on an ICB. All additional arrangements arising under this Tariff will be filed with the Commission prior to service.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)**5.2 Service Configurations**

The Company's services are provided as follows:

5.2.1 Point-To-Point Service

Point-To-Point Service connects two Customer-designated premises, either on a directly connected basis, or through a hub where multiplexing functions are performed.

5.3 Service Descriptions and Technical Specifications

The following service descriptions and technical specifications will apply to Company's services. When references to Bellcore Technical Publications are made for performance criteria, the criteria will be considered objectives for Company's performance. In no case should the reference to these Bellcore standards be construed as creating any warranties on the part of Company. Technical publications are available for review by the Customer upon request.

5.3.1 DS-1 Service

DS-1 Service, or Digital Signal Level 1 Service, is a channel for the transmission of 1.544 Mbps data. The actual bit rate and framing format is a function of the channel interface selected by the Customer. DS-1 Channels are provided between Customer designated locations and a Company's hub.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)**5.3 Service Descriptions and Technical Specifications (Cont'd)****5.3.2 DS-3 Service**

DS-3 Service, or Digital Signal Level 3 Service, is a channel for the transmission of 44.736 Mbps data. The actual bit rate and framing format is a function of the channel interface selected by the Customer. DS-3 Channels are provided between Customer designated locations and/or between Customer designated locations and a Company's hub. DS-3 service is provided with an electrical interface. As an option, this service may be provided to a Customer with an optical interface at the Customer's premises.

5.3.3 DS-3 (X3), (X9), or (X12), (X24) Services

DS-3 services may be ordered in multiples of 3 (X3), 9 (X9), or 12 (X12) (X24). These services are offered in the same configuration as DS-3 service (i.e., either electrical or optical interface), and with the same technical specifications. These services will be provided initially on an ICB.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)

5.4 Rate Categories

There are several rate categories that may apply to Company's Services.

5.4.1 Channel Terminations

The Channel Termination Rate Category provides for the communications path between a Customer designated premises, and another Customer designated premises. Included as part of the Channel Termination is a standard channel interface arrangement which defines the technical characteristics associated with the type of facilities to which the Company's service is to be connected, and the type of signaling capability (if any). One channel Termination charge applies per Customer designated premises at which the service is terminated.

5.4.2 Channel Mileage

The Channel Mileage Rate Category provides for the transmission facilities between two or more Customer designated premises. The Channel Mileage Rate Category is not applied to services that are less than one V&H computed mile, unless specified. Channel Mileage Rates are comprised of a Fixed Mileage Rate, applied to the first mile, and a Per Mile Rate Element, applied for each mile.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)**5.4 Rate Categories (Cont'd)****5.4.3 Optional Features and Functions**

The Optional Features and Functions Rate Category provides for optional services which may be added to a Company's service to improve its quality or characteristics to meet specific communications requirements. These services are not necessarily identifiable with specific equipment, but rather represent the end result in terms of performance characteristics which may be obtained. These characteristics may be derived using various combinations of equipment.

5.4.4 Extraordinary Charges

From time to time, Customers may request special services not addressed specifically by rate elements in this Tariff, or services to locations that may cause Company to incur extraordinary expenses not contemplated in the provision of standard service offerings. These costs include, but are not limited to:

- Additional construction costs
- Building space rental or rights-of-way costs
- Additional equipment
- Special facilities routing

In these cases, the Customer will be billed additional charges computed on an ICB. Special services not addressed in this Tariff shall be approved by the Commission prior to the provision of such service.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)

5.5 Application of Rate Categories

The rate categories described in Section 5.4 of this Tariff will be applied as follows:

5.5.1 Point-To-Point Services

- Channel Terminations (2 applicable)
- Channel Mileage (when applicable)
- Optional Features and Functions (when applicable)
- Extraordinary Charges (when applicable)
- Flexible Pricing (when applicable)
- Service Discount Plans (when applicable)

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)5.6 Contract Rates - Special Pricing Arrangements-ICB

5.6.1 In lieu of the rates otherwise set forth in this Tariff, rates and charges, including minimum usage, installation, special construction and recurring charges for Company's services may be established at negotiated rates on an ICB, taking into account the nature of the facilities and services, the costs of construction and operation, the volume of traffic, the length of service commitment by the Customer, and use of facilities by other Customers. Such arrangements shall be considered Special Pricing Arrangements, the terms of which will be set forth in individual Customer contracts. However, unless otherwise specified, the terms, conditions, obligations and regulations set forth in this Tariff shall be incorporated into, and become a part of, said contract, and shall be binding on Company and Customer.

5.6.2 In addition to any rate or charge established by the Company, the Customer will also be responsible for any recurring or non-recurring charges imposed by local exchange telephone companies incurred by or on behalf of the Customer in establishing and maintaining service. Such charges may be billed by the Company or directly by the local exchange company, at the Company's option.

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SECTION 5 - SERVICE DESCRIPTIONS (Cont'd)

5.7 Back Billing

Company shall be entitled to revise bills previously rendered to adjust for previously rendered unbilled service, or adjust upward a bill previously rendered, assuming that the Customer was aware of the unbilled services during the period the services were unbilled, for a period of six (6) years after the service was rendered.

5.8 Temporary Promotional Programs

The Company may establish temporary promotional programs, wherein it may waive or reduce recurring or non-recurring charges, to introduce a present or potential Customer to a service not previously received by the Customer. The terms of promotional programs will be filed with the Commission subject to the requirements of applicable law, except if the promotion is to reduce rates.

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SECTION 6 - RATES AND CHARGES

6.1 General Regulations

6.1.1 Except as specifically indicated, the rates set forth in this section are for private line services where the originating and terminating points are on Company's existing network. In all other situations, special construction charges may apply in order to connect locations to Company's network.

6.1.2 Services may be provided using one, or a combination of rate elements as outlined in this Tariff.

6.1.3 Unless otherwise indicated, rates apply uniformly in all areas served the Company.

6.1.4 Services for which a rate of "NOC" is listed are not offered currently.

6.2 Charges for Changes to Pending Orders, Service Rearrangements and Expedite Charges

From time to time, customers may request changes to pending orders, rearrangements to existing service, and order completion to standard intervals. In these cases, the Customer will be required to reimburse Company for the increased expenses incurred on an ICB.

6.3 Nonrecurring Charge

Nonrecurring charges will be charged on a time and materials basis.

6.4 Special Construction

6.4.1 Basis for Rates and Charges

Rates and charges for special construction will be based on the costs incurred by the Company and may include: (1) nonrecurring type charges; (2) recurring type charges; (3) termination liabilities; or (4) combinations thereof.

SECTION 6 - RATES AND CHARGES (Cont'd)

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6.4 Special Construction (Cont'd)

6.4.2 Basis for Cost Computation

The costs referred to in Section 6.4.1 may include one or more of the following items to the extent that they are applicable:

- A. cost installation of the facilities to be provided, including estimated costs for the rearrangements of existing facilities. Cost installation includes the cost of:
 - (1) equipment and materials provided or used,
 - (2) engineering, labor and supervision,
 - (3) transportation, and
 - (4) rights-of-way;
- B. cost of maintenance;
- C. depreciation on the estimated cost installation of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- D. administration, taxes and uncollectable revenue on the basis of reasonable average costs for these items;
- E. license preparation, processing and related fees;
- F. tariff preparation, processing and related fees;
- G. any other identifiable costs related to the facilities provided; or
- H. an amount for return and contingencies.

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SECTION 6 - RATES AND CHARGES (Cont'd)
6.5 Rates6.5.1 Point-To-Point ServicesA. DS1 - 1.544 Mbps1. Channel Terminationa. Initial, per termination

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
- 1 through 5 circuits	\$340.00	\$150.00	\$680.00	\$300.00
- 6 through 12 circuits	\$340.00	\$142.50	\$680.00	\$286.00
- 13 through 18 circuits	\$340.00	\$138.75	\$680.00	\$277.50
- 19 circuits and above	\$340.00	\$135.00	\$680.00	\$270.00

b. Subsequent, per termination

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
- 1 through 5 circuits	\$316.00	\$150.00	\$632.00	\$300.00
- 6 through 12 circuits	\$316.00	\$142.50	\$632.00	\$286.00
- 13 through 18 circuits	\$316.00	\$138.75	\$632.00	\$277.50
- 19 circuits and above	\$316.00	\$135.00	\$632.00	\$270.00

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SECTION 6 - RATES AND CHARGES (Cont'd)
6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)A. DS1 - 1.544 Mbps (Cont'd)2. Transport Mileage [1]a. 1 through 5 circuits

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands</u> [1]				
Over 0 to 8 miles				
-Fixed	\$285.00	\$150.00	\$570.00	\$300.00
-Per mile	-	\$11.00	-	\$22.00
Over 8 to 25 miles				
-Fixed	\$285.00	\$200.00	\$570.00	\$400.00
-Per mile	-	\$15.000	-	\$30.00
Over 25 to 50 miles				
-Fixed	\$285.00	\$250.00	\$570.00	\$500.00
-Per mile	-	\$17.00	-	\$34.00
Over 50 miles				
-Fixed	\$285.00	\$250.00	\$570.00	\$500.00
-Per mile	-	\$17.00	-	\$34.00

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)A. DS1 - 1.544 Mbps (Cont'd)2. Transport Mileage (Cont'd)b. 6 through 12 circuits

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands [1]</u>				
Over 0 to 8 miles				
-Fixed	\$285.00	\$142.50	\$570.00	\$285.00
-Per mile	-	\$10.45	-	\$20.90
Over 8 to 25 miles				
-Fixed	\$285.00	\$190.00	\$570.00	\$380.00
-Per mile	-	\$14.25	-	\$28.50
Over 25 to 50 miles				
-Fixed	\$285.00	\$237.50	\$570.00	\$475.00
-Per mile	-	\$16.15	-	\$32.30
Over 50 miles				
-Fixed	\$285.00	\$237.50	\$570.00	\$475.00
-Per mile	-	\$16.15	-	\$32.30

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SECTION 6 - RATES AND CHARGES (Cont'd)
6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)A. DS1 - 1.544 Mbps (Cont'd)2. Transport Mileage (Cont'd)c. 13 through 18 circuits

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands [1]</u>				
Over 0 to 8 miles				
-Fixed	\$285.00	\$142.50	\$570.00	\$285.00
-Per mile	-	\$10.18	-	\$20.36
Over 8 to 25 miles				
-Fixed	\$285.00	\$185.00	\$570.00	\$370.00
-Per mile	-	\$13.88	-	\$27.76
Over 25 to 50 miles				
-Fixed	\$285.00	\$231.25	\$570.00	\$462.50
-Per mile	-	\$15.73	-	\$31.46
Over 50 miles				
-Fixed	\$285.00	\$231.25	\$570.00	\$462.50
-Per mile	-	\$15.73	-	\$31.46

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)B. DS3 – 44.736 Mbps1. Channel Termination , per point of terminationa. Electrical Interface

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
Capacity of 1	\$545.00	\$1,282.50	\$1,090.00	\$2,565.00
Capacity of 2	-	\$2,090.00	-	\$4,180.00
- Per DS3	\$545.00	\$179.90	\$1,090.00	\$359.80
Capacity of 3-	-	\$2,384.50	-	\$4,769.00
- Per DS3	\$545.00	\$143.45	\$1,090.00	\$286.90
Capacity of 6	-	\$3,709.75	-	\$7,419.50
- Per DS3	\$545.00	\$90.25	\$1,090.00	\$180.50
Capacity of 9	-	\$5,386.50	-	\$10,773.00
- Per DS3	\$545.00	\$87.40	\$1,090.00	\$174.80
Capacity of 12	-	\$7,110.75	-	\$14,221.50
- Per DS3	\$545.00	\$87.40	\$1,090.00	\$174.80
Capacity of 24	-	\$13,532.75	-	\$27,065.50
- Per DS3	\$545.00	\$87.40	\$1,090.00	\$174.80
Capacity of 36-	-	\$17,712.75	-	\$35,425.50
- Per DS3	\$545.00	\$104.50	\$1,090.00	\$209.00

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)B. DS3 – 44.736 Mbps (Cont'd)2. Transport Mileage [1]

	<u>NRC</u>	<u>Actual</u> <u>Monthly</u>	<u>NRC</u>	<u>Maximum</u> <u>Monthly</u>
<u>Mileage Bands]</u>				
Over 0 to 8 miles				
-Fixed	\$605.00	\$590.90	\$1,210.00	\$1,181.80
-Per mile	-	\$51.26	-	\$102.52
Over 8 to 25 miles				
-Fixed	\$605.00	\$593.73	\$1,210.00	\$1,187.46
-Per mile	-	\$35.15	-	\$70.30
Over 25 to 50 miles				
-Fixed	\$605.00	\$598.50	\$1,210.00	\$1,197.00
-Per mile	-	\$51.11	-	\$102.22
Over 50 miles				
-Fixed	\$605.00	\$619.40	\$1,210.00	\$1,238.80
-Per mile	-	\$57.90	-	\$115.80

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SECTION 6 - RATES AND CHARGES (Cont'd)6.5 Rates (Cont'd)6.5.1 Point-To-Point Services (Cont'd)B. DS3 - 44.736 Mbps (Cont'd)3. Optional Features and Functionsa. Central Office Multiplexing [1]

<u>Actual</u>		<u>Maximum</u>	
<u>NRC</u>	<u>Monthly</u>	<u>NRC</u>	<u>Monthly</u>
\$355.00	\$357.20	\$710.00	\$714.40

b. Per Central Office Termination

<u>Actual</u>		<u>Maximum</u>	
<u>NRC</u>	<u>Monthly</u>	<u>NRC</u>	<u>Monthly</u>
\$355.00	\$315.00	\$710.00	\$630.00

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EXHIBIT F

Petition of Telseon Carrier Services, Inc.
for Competitive Classification

BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of the Application and Petition of)
)
Telseon Carrier Services, Inc.)
)
For a Certificate of Convenience and Necessity)
to Provide Resold and Facilities-Based Local)
Exchange, Exchange Access, and Interexchange)
Telecommunications Service Within the)
State of Arizona)
)

Docket No. _____

**Petition of Telseon Carrier Services, Inc.
for
Competitive Classification**

Petitioner, Telseon Carrier Services, Inc. (hereinafter "Telseon" or "Petitioner"), a Delaware corporation, hereby files this Petition for classification of its proposed services as competitive as part of its Application for a Certificate of Convenience and Necessity ("CCN") to Provide Resold and Facilities-Based Local Exchange, Exchange Access, and Interexchange Telecommunications Service in Arizona.

I. INTRODUCTION

The Commission's rules require that an applicant seeking to provide competitive telecommunications services shall, as part of its Application, "petition the Commission for a determination that the intraLATA service being provided or to be provided is competitive." A.A.C. R14-2-1505.B. Pursuant to A.A.C. R14-2-1108, Petitioner provides the following information:

II. MARKET CONDITIONS RENDERING TELSEON'S SERVICES COMPETITIVE

A. Description of General Economic Conditions

The market for local exchange and intraLATA toll service in exchanges in which US West provides services has been completely dominated by Qwest. The interexchange

market enjoys more extensive competition. Competition for all telecommunications services should be expected to increase as new providers enter the market.

B. Number and Market Share of Alternative Providers of the Service

Several competing carriers have entered or will soon enter the Arizona local exchange and intraLATA toll telecommunications market to compete with Qwest, but none are expected to obtain a sizeable market share in the near term. The Federal Communications Commission estimates that incumbent carriers retain control of more than 97% of nationwide switched access lines.² The interexchange market is divided among numerous carriers.

C. Affiliated Alternative Providers of the Service

No affiliate of Telseon currently provides or intends to provide facilities-based local exchange telecommunications service in the relevant market.

D. Ability of Alternative Providers to Make Functionally Equivalent or Substitute Services Readily Available at Competitive Rates, Terms, and Conditions

Qwest and alternative providers have the ability to make and will make functionally equivalent or substitute service readily available at competitive rates, terms, and conditions.

E. Other Indicators of Market Power

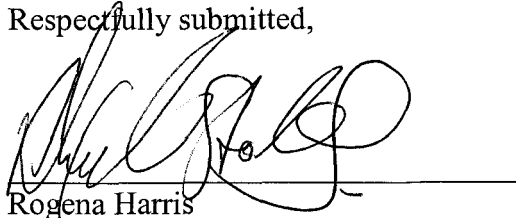
Qwest dominates the Arizona local exchange and intraLATA toll markets. It enjoys ubiquitous name recognition and an established business relationship with every customer in the market. However, the success of interexchange competition demonstrates that competitors of U S West in the local exchange and intraLATA toll market may be designated as competitive.

² *Report on Local Competition, Federal Communications Commission, Common Carrier Bureau, Industry Analysis Division, December 1998, p.1.*

III. CONCLUSION

For the reasons set forth herein, Telseon Carrier Services, Inc. respectfully petitions the Commission to classify Telseon's proposed services as competitive.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rogena Harris', is written over a horizontal line.

Rogena Harris

Alexander Stokas

Swidler Berlin Shereff Friedman, LLP

3000 K Street, NW, Suite 300

Washington, D.C. 20007

Telephone: 202/424-7500

Facsimile: 202/424-7645

Counsel for Telseon Carrier Services, Inc.

Dated: March 6, 2001

VERIFICATION

COUNTY OF ARAPAHOE

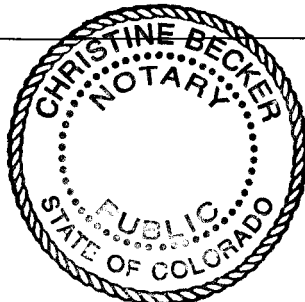
I, Steven Miller, hereby declare under penalty of perjury, that I am the General Counsel of the Applicant, Telseon Carrier Services, Inc., that I have examined the foregoing application and that to the best of my knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.

Applicant: Telseon Carrier Services, Inc.
By: Steven Miller
Title: General Counsel

Subscribed and sworn to before me this 27 day of October 2000.

Notary Public

My Commission expires:



My Commission Expires 02/18/2001